

## FAQ: Gasoline Use Tax

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#### General

##### **What is a distributor?**

A person who is the first purchaser of gasoline from a refiner, terminal operator, or supplier regardless of the purchase location is a distributor.

##### **What is a refiner?**

A person who manufactures or produces gasoline by any process involving substantially more than the blending of gasoline is a refiner.

##### **What is a terminal operator?**

A terminal operator stores gasoline in tanks and equipment used in receiving and storing gasoline from pipelines pending bulk wholesale reshipment. A terminal operator also may store gasoline at a boat terminal transfer that is a dock, a tank, or equipment contiguous to a dock or tank, including equipment used in unloading gasoline from a ship or barge, transferring the gasoline to a tank pending wholesale bulk reshipment.

##### **What is a qualified distributor?**

A qualified distributor is licensed under the gasoline tax code IC 6-6-1.1 and holds a valid gasoline use tax permit issued under the gasoline use tax code IC 6-2.5-3.5-17.

##### **What is gasoline use tax?**

Senate Bill 479, effective July 1, 2014, repeals the prepaid sales tax on gasoline products and replaces it with a gasoline use tax on gasoline and gasohol fuels. Gasoline use tax is considered the equivalent of the 7 percent sales tax that would be collected by a retail merchant and replaces the obligation of the retail merchant to collect the sales tax on the sale of gasoline.

##### **When is gasoline use tax collected?**

The gasoline use tax will be collected when a qualified distributor sells gasoline to a *nonqualified* distributor. The tax will not be collected when a qualified distributor sells to a qualified distributor or exports the gasoline to another state. The qualified distributor must collect and remit the tax from the nonqualified distributor to the Indiana Department of Revenue.

##### **Where do I find more information about gasoline use tax?**

More information about gasoline use tax is at the Indiana Department of Revenue's [website](#). Additionally, an informational Form [GT-103DR](#), [Schedule 1: Receipts](#), and [Schedule 2: Disbursements](#) are available to preview. The GT-103 requires electronic filing and is not available to preview.

##### **Where do I find gasoline use tax Indiana code?**

The gasoline use tax Indiana code can be found at [IC 6-2.5-3.5](#).

##### **How is the gasoline use tax rate calculated?**

The Indiana Department of Revenue will determine the gasoline use tax rate by calculating monthly the statewide average retail price per gallon of gasoline from the 16<sup>th</sup> day of the previous month to the 15<sup>th</sup>

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day of the current month (excluding tax), multiplied by 7 percent. The Indiana Department of Revenue will publish the gasoline use tax rate monthly in [Departmental Notice #2](#).

### **How often will the gasoline use tax rate change?**

Due to the calculation process, the gasoline use tax rate may change on a monthly basis depending on the average Indiana retail price of gasoline.

### **How will I know the gasoline use tax rate each month?**

The Indiana Department of Revenue will publish the gasoline use tax rate monthly in [Departmental Notice #2](#). The notice will be published before the 22<sup>nd</sup> of the month. You can subscribe to the Departmental Notices page and receive email updates each time a notice is updated. Click Subscribe for Email Updates at [www.in.gov/dor/3618.htm](http://www.in.gov/dor/3618.htm) and provide your information to subscribe.

### **How does a retail station recover the tax?**

Retail stations should include gasoline use tax in the pump price of gasoline. Retail stations are reimbursed for gasoline use tax in the same way they are reimbursed for gasoline or special fuel taxes included in the pump price.

## **Gasoline Use Tax Permit**

### **Who needs to register for a gasoline use tax permit?**

Distributors, refiners, and terminal operators that want to receive gas in Indiana without paying gasoline use tax and distributors importing gasoline into Indiana must have a valid permit from the Indiana Department of Revenue to collect gasoline use tax payments from purchasers and recipients of gasoline.

### **How do I register for a gasoline use tax permit?**

To register for the gasoline use tax permit, complete the [FT-1 Fuel Tax License Application](#) and submit the following:

- \$100 application fee
- Minimum bond of \$2,000 or 3 months gasoline use tax liability, whichever is greater
- Current financial statements

### **If I am already a registered gasoline distributor, do I still need to file the FT-1 and register for gasoline use tax?**

Registered gasoline distributors still need to complete the FT-1 and register for a gasoline use tax permit.

### **Is there a fee for the gasoline use tax permit?**

There is a \$100 application fee for a gasoline use tax permit.

### **What is the minimum bond amount?**

A bond of at least \$2,000 or 3 months gasoline use tax liability, whichever is greater, is required. The required bond forms are available [here](#). The bond effective date should be July 1, 2014.

### **Are there any exceptions to the gasoline use tax bond requirement?**

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Yes. A new gasoline use tax bond will not be required for established distributors who are current and compliant with all fuel and listed taxes and who have had their Gasoline Distributor's bond requirement released due to good standing with the Indiana Department of Revenue.

### **Can I transfer my prepaid sales tax bond to the gasoline use tax bond?**

No. You must obtain a new bond for gasoline use tax.

### **The required gasoline use tax bond amount is the greater of \$2,000 or an estimated 3-month gasoline use tax liability. How do I calculate my 3-month average gasoline use tax liability?**

There are 3 methods to calculate your 3-month average gasoline use tax liability:

1. Estimate your average gallons of gasoline for 3 months and multiply the total gallons by 21 cents (.210).
2. Use the total prepaid sales tax payments from the first quarter of 2014 (January, February, and March).
3. Divide the total prepaid sales tax payments made in 2013 by 4.

### **Can I cancel my prepaid sales tax bond?**

Yes, you can cancel your prepaid sales tax bond if you are current on filing your prepaid sales tax returns. Your bond cancellation effective date should be July 31, 2014.

## **Filing Requirements**

### **What new forms will I need to file for gasoline use tax?**

There are two new forms for gasoline use tax.

#### **1. GT-103**

The GT-103 must be filed semimonthly to remit the gasoline use tax.

- Transactions from the 1<sup>st</sup> to the 15<sup>th</sup> of the month are due on the 25<sup>th</sup> of the month.
- Transactions from the 16<sup>th</sup> to the end of the month are due on the 10<sup>th</sup> of the following month.
- The first GT103 is due July 25, 2014, for transactions from July 1, 2014, to July 15, 2014.

#### **2. GT-103DR**

The GT-103DR, Recap of Gasoline Use Tax by Distributors, must be filed before the end of each month for the taxes owed and the gallons of gasoline sold or shipped during the previous month. The form must include the following:

- The number of gallons of gasoline sold or shipped in the previous month (from the first day to the last day of the month), identifying each purchaser or recipient.
- The amount of tax paid by each purchaser or recipient.
- Any other information reasonably required by the Indiana Department of Revenue.
- The first GT-103DR will be due before August 31, 2014.

### **How do I file the new gasoline use tax forms?**

The new gasoline use tax forms must be filed electronically. The Indiana Department of Revenue will not accept paper returns:

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- The GT-103 Gasoline Use Tax form must be filed semimonthly through INTax.
- The GT-103DR, Recap of Gasoline Use Tax by Distributors, must be filed through INTax or the Indiana Department of Revenue's bulk file secure transfer program. For more information about the bulk file secure transfer program, click [here](#).

### **I currently use EDI to file my fuel tax returns. Do I need additional registration and testing for the GT-103DR?**

Yes. There are different requirements for EDI filing and bulk filing. To use the department's bulk filing system to file your GT-103DR, you will need to register and follow the testing procedures before being able to upload a bulk file. Please refer to the department's bulk file resources:

- **Bulk File Resources**
  - [Bulk Upload Guide](#)
  - [XML Schema Definition](#)
  - [XML Schema and Level 1 Business Reject Rules](#)

For more information about the technical requirements for bulk filing, please contact the Indiana Department of Revenue at:

- Email – [bulkfiler@dor.in.gov](mailto:bulkfiler@dor.in.gov)
- Phone – (317) 233-5656

### **What changes have been made to the MF-360?**

No changes have been made to form [MF-360](#), Gasoline Distributors Consolidated Monthly Tax Return. Taxpayers who currently file this return will continue to do so. The gasoline use tax does not affect the form MF-360, associated schedules, or product codes. Taxpayers will continue to submit this return via INTax or EDI. The MF-360 and payment are due by the 20<sup>th</sup> of the month for the preceding month's transactions.

### **Do I still need to file the ST-103P and the ST-103DR?**

Beginning with the July 2014 filing period, you will no longer file the ST-103P or the ST-103DR. These forms will be replaced by the new gasoline use tax forms:

- The ST-103P will be replaced by the GT-103.
- The ST-103DR will be replaced by the GT-103DR.

### **Do I still need to file the ST-103 or ST-103MP?**

Yes, you still need to report sales tax on sales of products other than gasoline as follows:

- If you currently file the ST-103, you still need to file the ST-103 to report your sales of any other products. Effective July 1, 2014, the sales of gasoline should be reported as exempt sales.
- If you currently file the ST-103MP to report your sales of fuel via a metered pump, you still need to file the ST-103MP each month to report the metered pump sales of products other than gasoline. Effective July 1, 2014, you will no longer need to report, collect, or remit sales tax on gasoline.

### **What product codes do I need to report?**

You will need to report product codes for all gasoline and gasoline blends:

- Product codes 061 and 065 will be combined and reported as gasoline.
- Product codes E01 - E99 and M01 - M99 will be combined and reported as gasohol. This includes

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E85 which is a taxable gasoline blend as defined in the Indiana gasoline tax code 6-6-1.1-103.

### **Is the schedule information required on the GT-103DR the same information that's provided on MF-360 and SF-401?**

No. Although the schedule information required on the GT-103DR looks similar to the schedule information on the MF-360 and SF-401, the information is different. The GT-103DR schedules report whether the transactions are subject to or exempt from the gasoline use tax. The transactions reported on the MF-360 are specific to the \$.18 per gallon state excise tax and oil inspection fee of \$.01 per gallon. The SF-401 provides information about where the fuel was received and delivered, not about tax collection.

### **Do retail gasoline stations need to file anything for gasoline use tax?**

Retail gasoline stations will claim their final prepaid sales tax credit on their June 2014 sales tax return Form ST-103MP (due July 20 or July 31, 2014). Each retail gasoline station will be required to file form GT-Inventory Report. This paper form is a **one-time** reconciliation to close out prepaid sales tax. The purpose of this form is to calculate the amount of gasoline use tax due on gasoline products in inventory as of July 1, 2014. Retail gasoline stations will recoup the gasoline use tax that was paid to the supplier by including the gasoline use tax in the total price per unit when the gasoline is sold to their customers. The department mailed the GT-Inventory Report to retail gasoline stations. If you did not receive a form, call (317) 615-2630 or email [fetax@dor.in.gov](mailto:fetax@dor.in.gov). The GT-Inventory Report must be filed by August 1, 2014, along with payment for the gasoline use tax. Note: For entities that file a consolidated ST-103MP for their stations, they may file a consolidated GT-Inventory Report for those stations.

### **How do I calculate the Gasoline Use Tax for the GT-Inventory Report?**

The Gasoline Use Tax Inventory Report will not be used to calculate the difference between the prepaid sales tax rate and the gasoline use tax rate. All gallons in inventory as of July 1, 2014 must be multiplied by the July 2014 gasoline use tax rate of \$0.229. The following example explains why the gasoline use tax rate is used:

*A retail station receives 5,000 gallons of gasoline in June and pays their supplier the prepaid sales tax on those gallons. However, the retail station only sells 3,000 gallons from its metered pumps in June. Therefore, the retail station has 2,000 gallons in inventory. When the retail station owner completes their June ST-103MP they will report the 3,000 gallons sold and take credit on the 5,000 gallons of prepaid sales tax they paid in June. The retail station will take the whole credit for all prepaid sales tax paid regardless of the number of gallons sold through the metered pump. Therefore, the 2,000 gallons in inventory are subject to the gasoline use tax.*

## **Exemptions**

### **Which transactions are exempt from gasoline use tax?**

The exemptions provided in [Indiana Code 6-2.5-5](#) apply to gasoline use tax. Transactions exempt from gasoline use tax include the following:

- The sale of gasoline from a refiner or terminal operator to a qualified distributor
- The sale of gasoline from a qualified distributor to another qualified distributor
- A shipment of gasoline from Indiana to a location outside of Indiana (exported gasoline)

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- The sale of gasoline that meets the sales tax exemption criteria as set forth in Indiana Code 6-2.5-5

### **Refund**

#### **Who can file a claim for refund?**

- A distributor that has paid gasoline use tax and has not been reimbursed because the gasoline is sold to an exempt purchaser may file a claim for refund.
- If a gasoline sale is exempt from gasoline use tax, the purchaser who pays the tax to a retail merchant may file a claim for refund.

#### **How do I file a claim for refund?**

Qualified taxpayers claiming a refund must file Form [GA-110L](#), Claim for Refund. The GA-110L must include all supporting documentation to show gasoline use taxes have been paid, as well as any other supporting documentation for the claim.